

Memorandum



EAD
99
140.8
942.3

DATE: December 18, 1985

TO: Michael Hildt, Chair
City Council Energy Committee

Via the Mayor's Office
Attention Office of Management and Budget

FROM: Randall W. Hardy, Superintendent Original Signed by
RANDALL W. HARDY

SUBJECT: Lake Union Steam Plant PCB Disposal - Retrofit Option

This memo confirms our conversation of December 12. As of December 12, any further investment in this option was halted until after the final City Council decision.

City Light has only spent \$78,000 on this option to date (see attachment). This will remain frozen unless and until there is a final City decision to pursue this option.

The sole purpose of placing advanced purchase orders for several long lead time components of this option was to fit the option within the Environmental Protection Agency (EPA) deadline and, thereby, preserve the retrofit as a possible choice for the Mayor and Council consideration. Unfortunately this action created a public perception that City Light was short-circuiting the decision-making process. This perception, while understandable, certainly was not intended.

EPA has agreed that it is important, in the long run, to address this perception. Last Thursday they gave City Light a four-month extension of the ultimate cleanup deadline - now April 1, 1987. They are, however, maintaining the original interim City decision dates from our Consent Agreement. The City thus has until February 17, 1986, to make a final disposal decision without incurring additional fines.

If you have any further questions about the status of these matters, please call me at x3200 or have your staff call Tim Croll at x3105.

TC:gv

Attachment

cc: Cindy Maisel, Deputy Mayor
Tom Byers, Mayor's Office
Chuck Kleeberg, Health Department
Mike Waller, Office of Management & Budget
Liz Edmonds, Law Department

bcc: Hardy	Groner
Saven	Sickler
Taha	Fletcher
Macdonald	Gerstle
Rockey	Norton Arnold
Bishop	Sugiyama
Miller	Croll/Campion
Sihon	EAD 942.3
	File

SUPERINTENDENT'S SIGNATURE/SIGN-OFF ROUTING SLIP

DATE : 12/18/85

FROM: TIM CROLL PHONE: 3105

ROUTE TO: _____ DATE REVIEWED _____

☒ MILLER/ROCKY TRM/CTR 12/18/85

☒ GGSTLE MAJ 12/18

☐ _____

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☐ _____

☐ _____

☒ HARDY

PREPARED BY: CROLL PHONE: 3105

TYPED BY: Kurt Verdun PHONE: _____

RETURN TO: GGSTLE VERDUN PHONE: 3109

RETURN BY: _____

SIGNIFICANT ISSUES, DATES, COMMENTS, ETC: _____

L-101-32 (7-84)

CTY0068957

SEA315371

LAKE UNION STEAMPLANT
BOILER RETROFIT COSTS FOR PCB DISPOSAL
DECEMBER 11, 1985

	<u>Itemized Costs</u>	<u>Costs with Retrofitting one boiler</u>	<u>Costs* Committed as of today</u>	<u>Expenditures** as of today</u>	<u>Estimated** Expenditures by Dec. 17, '85</u>	<u>Estimated** Expenditures by Jan. 15, '86</u>	<u>Estimated Expenditures by Feb. 15, '86</u>
Design & First Test Burn.....		89,000	89,000	43,000	66,000	77,000	89,000
Boiler Retrofit.....		1,043,000					
Refractory	300,000		300,000	-0-	-0-		300,000
Burner/Windbox	100,000		100,000	-0-	-0-	80,000	100,000
Monitors/Controls	224,000		224,000	-0-	-0-	224,000	224,000
Steel & Misc	119,000		119,000	-0-	-0-	22,000	119,000
Erection of Retrofit	300,000			-0-	-0-	-0-	150,000
LUSP Modifications.....		35,000	35,000	5,000	5,000	35,000	35,000
Electrical	35,000						
Permitting.....		30,000	30,000	30,000	30,000	30,000	30,000
EPA Permits	25,000						
PSAPCA Permit	5,000						
Test Burn.....		110,000					
Operator Training.....		10,000					
Special Clothing		10,000					
Disposal of Clothing		5,000					
Extra Operators		30,000					
Special Tools - Boiler		15,000					
Clean Oil.....		150,000					
Warm-ups	50,000						
Flushing & Cleaning	100,000						
Clean-up Contractor.....		40,000					
Closure Testing		20,000					
TOTAL		1,587,000	897,000	78,000	161,000	468,000	1,047,000

*Purchase Order contracts which can be terminated or negotiated.

**If the boiler retrofit option is not adopted, these are the only costs that will be incurred as of this date.

CTY0068958

SEA315372



DATE: December 11, 1985
TO: Randall W. Hardy via M. J. Macdonald
FROM: C. T. Rockey *CTR*
SUBJECT: Lake Union Steam Plant Boiler Retrofit Cost Estimate

The attached tabulation shows total costs, costs committed to date, and estimated expenditures which will be accumulated at certain milestone dates for the boiler retrofit at the Lake Union Steam Plant for PCB incineration.

The breakdown of the boiler retrofit costs at various milestones has been provided by Babcock and Wilcox Company. These are "quick" estimates provided over the phone today, reflecting reasonable cancellation charges as of the dates indicated.

Babcock and Wilcox has advised us that any administrative decision preventing them to proceed with their engineering now will cause a corresponding delay, plus an additional week, in the completion of their engineering work and delivery of materials they are required to furnish. The installation work will be done by a separate Board of Public Works contract. The selected contractor will need some of the B&W material on hand at the time he starts work. The installation contract must be underway by January 15, 1986. Delays in meeting the December 1, 1986 EPA deadline, of course, would expose the Department to the risk of penalty, up to \$25,000/day, until disposal is completed.

TRM:ggt

cc: Macdonald
Gerstle
Croll
Rockey
Sickler
Bishop
Miller/Sihon
Groner
File

DEC 12 1985